

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 207 – HB 245

February 24, 2013

**SUMMARY OF ORIGINAL BILL:** Authorizes the Tennessee Higher Education Commission (THEC), the University of Tennessee (UT), and the Tennessee Board of Regents (TBR) to provide information on student financial aid available from net lottery proceeds at eligible postsecondary institutions to students in the normal course of business.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (003418):** Deletes all language after the enacting clause. Prohibits a reduction in a student's HOPE scholarship if the student enrolls in six or fewer dual enrollment courses in their junior and senior years of high school. Declares that no reduction shall be made to any student's HOPE scholarship if the number of dual enrollment courses taken is over six. Requires bill as amended to apply to students receiving dual enrollment grants for the 2013-2014 academic year.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures –

\$410,700/FY13-14/Lottery for Education Account

\$450,900/FY14-15/Lottery for Education Account

Exceeds \$496,000/FY15-16 and Subsequent Fiscal Years/  
Lottery for Education Account

Assumptions for the bill as amended:

- The Tennessee Student Assistance Corporation (TSAC) estimates 689 additional dual enrollment students will take one additional course and 340 students will take two additional courses in FY13-14.
- Each additional course will increase state expenditures from the Lottery for Education Account (LFEA) by \$300.

SB 207 – HB 245

- In FY13-14, the increase in state expenditures from the LFEA is estimated to be \$410,700 [(\$300 x 689) + (\$600 x 340)].
- TSAC estimates historical program growth to be 10 percent per year.
- In FY14-15, TSAC estimates 757 students will take one additional course and 373 students will take two additional courses.
- In FY14-15, the increase in state expenditures from the LFEA is estimated to be \$450,900 [(\$757 x \$300) + (\$600 x 373)].
- Due to historical program growth, the recurring increase in state expenditures from the LFEA for FY15-16 and subsequent fiscal years, is estimated to exceed \$495,990 (\$450,900 x 110%).

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/msg